OPEN MEETING AGENDA ITEM

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COMMISSIONERS

GARY PIERCE

BOB BURNS

BRENDA BURNS

BOB STUMP - Chairman

SUSAN BITTER SMITH



BEFORE THE ARIZONA CORPORATION CO!

Arizona Corporation Commission

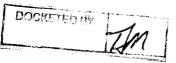
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IN THE MATTER OF ARIZONA PUBLIC SERVICE COMPANY REQUEST FOR APPROVAL OF UPDATED GREEN POWER RATE SCHEDULE GPS-1, GPS-2, AND GPS-3.

DOCKET NO. E-01345A-10-0394

9 IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR APPROVAL OF ITS 2013 RENEWABLE ENERGY STANDARD IMPLEMENTATION FOR RESET DOCKET NO. E-01345A-12-0290

OF RENEWABLE ENERGY ADJUSTOR.

IN THE MATTER OF THE APPLICATION OF TUCSON ELECTRIC POWER COMPANY FOR

DOCKET NO. E-01933A-12-0296

13 TUCSON ELECTRIC POWER COMPANY FOR APPROVAL OF ITS 2013 RENEWABLE ENERGY STANDARD IMPLEMENTATION PLAN AND DISTRIBUTED ENERGY ADMINISTRATIVE PLAN AND REQUEST FOR RESET OF ITS RENEWABLE ENERGY ADJUSTOR.

DOCKET NO. E-04204A-12-0297

IN THE MATTER OF THE APPLICATION
OF UNS ELECTRIC, INC. FOR APPROVAL
OF ITS 2013 RENEWABLE ENERGY
STANDARD IMPLEMENTATION PLAN
AND DISTRIBUTED ENERGY
ADMINISTRATIVE PLAN AND REQUEST
FOR RESET OF ITS RENEWABLE

<u>PROCEDURAL ORDER</u> NARROWING SCOPE OF HEARING

BY THE COMMISSION:

ENERGY ADJUSTOR.

On January 31, 2013, the Commission issued Decision Nos. 73636 for Arizona Public Service Company ("APS"), 73637 for Tucson Electric Power Company ("TEP"), and 73638 for UNS Electric, Inc. ("UNS") in the above-captioned dockets ("2013 REST dockets"). Those Decisions directed that the Commission would consider the proposed "Track and Record" mechanism (as well as alternatives thereto), for APS, TEP and UNS ("collectively, "Utilities") at a hearing. In addition,

Orders Nunc Pro Tunc as requested by parties are being issued for Decision Nos. 73636, 73637, and 73638.

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² Arizona Administrative Code ("A.A.C.") R14-2-1801 et al. ("REST Rules").

the Commission directed the Hearing Division to include within the scope of the hearing the subject matter of Commissioner Gary Pierce's withdrawn Amendment No. 2, which would have required the exclusion of retail sales to the utilities' largest customers (3MW or greater in demand) from their overall retail sales calculation under the Renewable Energy Standard and Tariff,² specifically A.A.C. R14-2-1804.

The parties to this proceeding currently include APS, TEP, UNS, the Commission's Utilities Division ("Staff"), Freeport-McMoRan Copper & Gold, Inc. ("Freeport-McMoRan"), Arizonans for Electric Choice and Competition ("AECC"), Arizona Competitive Power Alliance ("Alliance"), Solar Energy Industries Association ("SEIA"), Western Resource Advocates ("WRA"), Arizona Solar Energy Industries Association ("AriSEIA"), Sonoran Solar, LLC ("Sonoran"), Wal-Mart Stores, Inc. and Sam's West Inc. (collectively "Walmart"), the United States Department of Defense and all other Federal Executive Agencies ("DoD"), and Interwest Energy Alliance ("Interwest").

On February 15, 2013, following a procedural conference held on February 14, 2013, a Procedural Order was issued consolidating the above-captioned dockets, granting pending interventions, and setting a hearing and associated procedural deadlines.

On February 26, 2013, a Procedural Order was issued continuing the hearing date and modifying the procedural schedule.

On March 12, 2013, the Commission voted at a Staff Open Meeting of the Commission to 1) reopen and modify Decision Nos. 73636, 73637 and 73638, pursuant to A.R.S § 40-252 with notice and opportunity to be heard, to add language to expressly eliminate from Commission consideration in the "Track and Record" proceedings, any proposal that would require the exclusion of retail sales to the utilities' largest customers (3MW or greater in demand) from their overall retail sales calculation under the Renewable Energy Standard and Tariff Rule A.A.C. R14-2-1804, and 2) direct the Hearing Division to modify the February 26, 2013, Procedural Order in the consolidated "Track and Record" proceedings to expressly eliminate from the scope of the proceedings any proposal that would require the exclusion of retail sales to the utilities' largest customers (3MW or greater in

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demand) from their overall retail sales calculation under the Renewable Energy Standard and Tariff Rule A.A.C. R14-2-1804.

The notice ordered in the February 26, 2013, Procedural Order should be modified to reflect the narrowed scope of the hearing. It is possible that the Utilities have already mailed or published the public notice ordered by the February 26, 2013, Procedural Order. If that is the case, because the scope of the proceeding has been narrowed, rather than widened, the Utilities should not be required to incur additional expense to duplicate the publication or mailing.

IT IS THEREFORE ORDERED that any proposal that would require the exclusion of retail sales to the utilities' largest customers (3MW or greater in demand) from their overall retail sales calculation under the Renewable Energy Standard and Tariff Rule A.A.C. R14-2-1804 is expressly eliminated from the scope of the consolidated hearing proceedings scheduled in these dockets.

IT IS FURTHER ORDERED that APS, TEP and UNS shall provide public notice of the hearing in this matter, in the following form and style, with the heading in no less than 24-point bold type and the body in no less than 10-point regular type:

PUBLIC NOTICE OF HEARING ON CERTAIN ISSUES IN THE 2013
RENEWABLE ENERGY RULES COMPLIANCE FILINGS OF ARIZONA
PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY,
AND UNS ELECTRIC, INC.
(DOCKET NOS. E-01345A-10-0394 ET AL.)

On January 31, 2013, the Arizona Corporation Commission ("Commission") issued Decisions on the applications that Arizona Public Service Company ("APS"), Tucson Electric Power Company ("TEP"), and UNS Electric, Inc. ("UNS") (collectively, "Utilities") filed in Docket Nos. E-01345A-10-0394 et al. in order to satisfy their annual compliance requirements under Arizona Administrative Code R14-2-1801 et al. ("Renewable Energy Rules"). The Commission's Decisions on the 2013 Renewable Energy Rules compliance filings deferred to a hearing the issue of whether the Utilities should be allowed, in the absence of payment of incentives, to use a "track and record" mechanism (as well as alternatives thereto) as means of securing compliance with their Distributed Renewable Energy Requirements under the Renewable Energy Rules.

The Commission will consider testimony and evidence on the "track and record" issue at a joint evidentiary hearing involving the Utilities and interested parties. Parties to the proceeding will be required to file any witness testimony and exhibits prior to the hearing. Witnesses presenting evidence will be required to be present at the hearing for cross-examination on testimony and exhibits. Parties will also be required to prepare and file legal briefs following the hearing to provide legal support for their positions. The Commission is not bound by the proposals made by any party to this proceeding.

How You Can View or Obtain a Copy of Documents

Copies of the Utilities' applications and subsequent filings are available at [APS, TEP and UNS insert contact information] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website www.azcc.gov using the e-Docket function, located at the bottom of the web page, and referencing Docket Nos. E-01345A-10-0394 et al.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning June 3, 2013, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

Interested parties may participate in this matter through (1) filing for intervention and becoming a formal party to the proceeding; or (2) through written or oral public comment. Written public comments may be submitted at any time by mailing a letter referencing Docket Nos. E-01345A-10-0394 et al. to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007. If you require assistance, you may contact the Consumer Services Section at 602.542.4251 or 1.800.222.7000.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in these dockets. **However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website www.azcc.gov using the e-Docket function, located at the bottom of the web page and referencing Docket Nos. E-01345A-10-0394 et al. RSS feeds are also available through e-Docket.

About Intervention

You do not need to intervene if you want to appear at the hearing and provide public comment on the issues, or if you want to file written comments in the record of the case.

Any person or entity entitled by law to intervene and having a direct substantial interest in the matter will be permitted to intervene. The granting of intervention entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center no later than April 15, 2013, and send a copy of the motion to all parties of record.

Contact information for the parties of record is located on the "Service List" tab for Docket No. E-01345A-10-0394 et al. using the Commission's e-Docket function. Your motion to intervene must contain the following:

- 1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
- 2. A short statement of your interest in the proceeding (e.g., a customer, a shareholder, etc.); and
- 3. A statement certifying that you have mailed a copy of the motion to intervene to all parties of record in the case.

The granting of motions to intervene is governed by A.A.C. R14-3-105, except that <u>all motions to intervene must be filed on or before April 15, 2013</u>. For a sample intervention request form, go to http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf. All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law.

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If you do intervene, and you wish to present direct testimony and associated exhibits at the hearing, you must, on or before April 24, 2013: (1) reduce your witness direct testimony and associated exhibits to writing, (2) file the original and 13 copies of your testimony and exhibits with the Commission's Docket Control Center by 4:00 p.m., and (3) mail a copy to each party of record.

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ADA/Equal Access Information

5 6 The Commission does not discriminate on the basis of disability in admission to its public meetings. Requests should be made as early as possible to allow time to arrange the accommodation.

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27 28 Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, email SAbernal@azcc.gov, voice phone number 602-542-3931.

IT IS FURTHER ORDERED that APS, TEP, and UNS shall mail to each of their customers a copy of the above notice, and shall cause a copy of such notice to be published at least once in a newspaper of statewide circulation, with publication to be completed no later than March 15, 2013, and mailing to be completed no later than April 5, 2013. Because the scope of the proceeding has been narrowed, rather than widened, in the event APS, TEP, or UNS have already complied with the notice requirements set forth in the Procedural Order issued on February 26, 2013, the Utilities are not required to incur additional expense to duplicate the publication or mailing.

IT IS FURTHER ORDERED that APS, TEP, and UNS shall share the costs of publication of notice.

IT IS FURTHER ORDERED that APS, TEP, and UNS shall file affidavits of publication and mailing as soon as possible after the mailing/publication has been completed, but no later than April 15, 2013.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that all other requirements and procedural deadlines of the February 26, 2013, Procedural Order remain in effect.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended

1 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure. 2 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, 3 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at 4 hearing. DATED this day of March, 2013. 5 6 7 8 ADMINISTRATIVE LAW JUDGE 9 Copies of the foregoing mailed/delivered 10 this /3th day of March, 2013 to: 11 Thomas A. Loquvam Greg Patterson 12 PINNACLE WEST CAPITAL MUNGER CHADWICK **CORPORATION** 2398 E. Camelback Rd., Suite 240 400 N. 5th St., MS 8695 Phoenix, AZ 85004 13 Phoenix, AZ 85016 Attorneys for Alliance 14 Attorney for Arizona Public Service Co. Michael L. Neary, Executive Director 15 Michael W. Patten AriSEIA ROSHKA DEWULF & PATTEN PLC 111 West Renee Dr. 16 One Arizona Center Phoenix, AZ 85027 400 E. Van Buren St., Suite 800 17 Phoenix, AZ 85004 Timothy M. Hogan Attorneys for Tucson Electric Power and UNS 18 Arizona Center for Law in the Public Interest Electric, Inc. 202 E. McDowell Rd., Suite 153 19 Phoenix, AZ 85004 C. Webb Crockett Attorneys for WRA Patrick J. Black 20 FENNEMORE CRAIG Christopher D. Thomas 3003 N. Central Ave., Suite 2600 21 Fred E. Breedlove III Phoenix, AZ 85012-2913 SOUIRE SANDERS Attorneys for Freeport-McMoRan and AECC 1 E. Washington, 27th Floor 22 Phoenix, AZ 85004 Kevin Koch 23 Attorneys for Sonoran Solar, LLC 2333 E. 1st St. P.O. Box 42103 24 Scott S. Wakefield Tucson, AZ 85733 RIDENOUR HIENTON & LEWIS, P.L.L.C. 201 N. Central Ave., Suite 330 25 Court S. Rich Phoenix, AZ 85004-1052 ROSE LAW GROUP, PC 26 Attorneys for Wal-Mart Stores, Inc. and Sam's 6613 N. Scottsdale Rd., Suite 200 West Inc. Scottsdale, AZ 85250 27 Attorneys for SEIA

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DOCKET NO. E-01345A-10-0394 ET AL.

1	Kyle J. Smith Regulatory Law Office (JALS-RL/IP) Office of the Judge Advocate General	Janice Alward, Chief Counsel Legal Division	
2	U.S. Army Legal Service Agency 9275 Gunston Road Fort Belvoir, VA 22060-5546 Attorney for United States Department of Defense and all other Federal Executive Agencies Douglas V. Fant	ARIZONA CORPORATION COMMISSION 1200 West Washington Street	
3		Phoenix, AZ 85007 Steven M. Olea, Director Utilities Division ARIZONA CORPORATION COMMISSION 1200 West Washington Street	
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6			
7	LAW OFFICES OF DOUGLAS V. FANT 3655 W. Anthem Way, Suite A-109, PMB 411	Phoenix, AZ 85007	
8	Anthem, AZ 85086 Attorney for Interwest Energy Alliance		
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10		By: Debbi Person	
11		Assistant to Teena Jibilian	
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